CHINA WEEKLY

REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

Report on Sinkiang:

China's Largest Province

SPOTLIGHT ON VIETNAM

CATHERINE PEAKE

LETTER FROM MANILA

ELEANOR HARVEY

EDITORIALS:

INDIVIDUAL FREEDOM

FRANCO GOES VISITING

NOVEMBER 12, 1949 **JMP 1,000**

THE CHINA WEEKLY REVIEW

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Index for November 12, 1949

Editorial Paragraphs

Franco Goes Visiting 164
Individual Freedom 166

Special Articles

Spotlight On Vietnam ..... *Catherine Peake* 167
China's Largest Province ..... *W. S.* 169
Letter From Manila ..... *Eleanor Harvey* 171

Economic Section

Revival Of China's Industry 172
Week's Business 177

Departments

Letters From The People 161
25 Years Ago 166
News Of The Week 173
Chinese Papers Say 175
Chinese Magazines Say 176
New Books Of Interest 178

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

GOOD PATIENTS

To The Editor:

I am a nurse and have many friends who are doctors or nurses in various hospitals in Shanghai. In the past few months since liberation, we have received many patients who work in the People's Liberation Army or in the People's Government.

To these people, the simple food we serve in the hospital seems wonderful and the hospital itself is like a rest camp. However, none of them wish to tarry after they are cured and many of them make repeated requests to leave the hospital at a much earlier date than the doctor suggests.

One woman patient was suffering from an acute ear inflammation. As she had had no time to go to a hospital before liberation, the illness had become very serious and she had to undergo two major operations. She insisted on going back to her hostel one week after the second operation although she was far from recovered. This means that she has to come back to the hospital every day for treatment, a one hour trip from where she lives. She may have to do this for the next two months, but she makes no complaints.

I know of other cases where the patients have chosen to stay in the third class ward when their fellow comrades or higher officers gave them permission to stay in the second class or even special class rooms. At first I thought this might be merely a gesture on their part, but I changed my mind when I learned that such things happen in other hospitals too. It is not that they do not wish to enjoy comfort and good care, but because they understand the financial difficulties that confront the People's Government they want to economize, no matter how small a sum they save or at what expense to themselves.

HSIUNG MING

Shanghai
October 24, 1949

BANKS MUST HELP

To The Editor:

Although all banks in town have been ordered to increase their capital, they are still very weak financially.

Before the war, total capital of Shanghai banks was CN$153,000,000 or an equivalent of 15,300,000 piculs of rice. Total capital of banks now is JMP20,000,000,000 or an equivalent of 700,000 piculs of rice.

As to deposits, the banks had a total of CN$2,000,000,000 before the war or an equivalent of 200,000,000 piculs of rice but total deposits now are around JMP40,000,000,000 or an equivalent of 1,400,000 piculs of rice.

If calculated according to the present official rate of silver dollars, bank deposits before the war were JMP3,200,000,000,000 or rather 80 times that of the bank deposits now.

It must be pointed out that many assets of the big commercial banks in town have not yet been transferred back

to Shanghai. Large sums of foreign exchange must be deposited by these banks in foreign countries. It is time for the banks to realize the importance of their mission in the New China and bring back their funds to finance the economic construction program which the Central People's Government is planning to carry out.

C. C. Y.

Shanghai
November 6, 1949

NEW TIDE

To The Editor:

The Chinese people are seeing a new light showing them the way to New Democracy. Everything is changing. The changes on the surface seem slow but they are forming clear lines on everyone's mind. The old customs and conventions are fading out.

When the PLA soldiers entered Shanghai, the people wondered and marvelled at their good discipline. Then they found that they are gentle and fair. Lots of stories have been written about them. We could hardly believe it when we read how a Liberation soldier who collided with a pedicab and was hurt, quietly got up, dusted off his uniform and went his way saying meekly: "Be careful next time," and made no complaint at all.

No cases of scolding, swearing and beating of civilians by soldiers have been heard. Politeness and courtesy become the order of the day. The highranking officers condemn wanton indulgence. Feasting and squandering in the manner of the KMT officers are regarded as shameful. Uniforms of the PLA officers are of the same material as the soldiers.

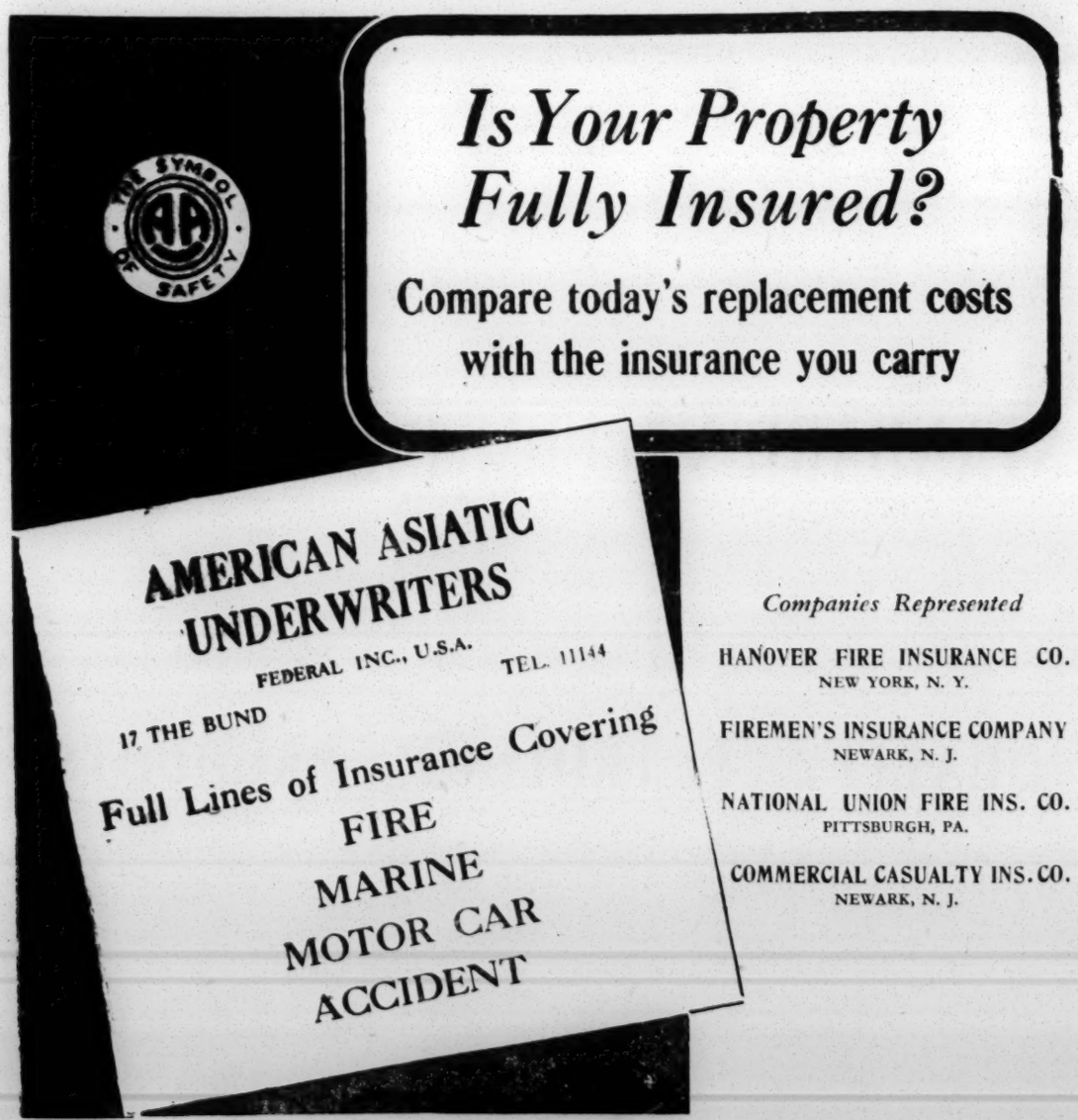
The working class, despised during the long past, is now gaining respect. Workers will play an important part both in production and politics in the new democratic China. They are taught and already are aware that they are the masters of the new nation. With the new indoctrination they are redoubling their efforts to boost production.

The court seems to have undergone a drastic change. It can easily be understood that since the former KMT codes of law were discarded, there might have been mounting difficulties in tackling the post-liberation cases. Persuasive and educational methods are adopted by the People's Court in settling litigations with a spirit of realism. Litigation costs only JMP50, which is the fee for the application form. People no longer have any fear of being taken out at night and dragged into prison or tortured in the so-called Special Court.

The court makes it its chief work to mediate before bringing the case up for judgment. Many cases are thus amicably settled without a formal verdict. Petty criminals are allowed to be free on bail after true repentance and frank admission of their wrongdoings. Transgressions are forgiven in the same manner by other official departments. Advertisements announcing repentance for breaching government regulations are daily seen in the newspapers.

The stabilization of prices draws wide satisfaction and the confidence of the people. Commodity prices in Shanghai have only gone up three or four times since liberation while prices trebled within one week during the KMT rule. The issuance of big-denomination notes used to mean skyrocketing of prices, but now the issuance of large JMP notes even brought the prices down a little. Many say it is a wonder.

Things develop so fast that many people are puzzled and seek the solution. Doctrines and works of Marx, Engels, Lenin, Stalin and Mao Tze-tung are diligently studied everywhere. Many are studying the Russian language. People feel they must learn about New Democracy, socialism and communism. Bookstores, newstands, libraries are daily thronged with people of all walks of life. Booksellers are seeing their



best days. Study groups are formed in schools, companies, banks, factories and public organizations. Students, teachers, professors, staff workers, coolies, managers, lao-pans, public functionaries are all now intent on "learning, and learning again." This tide will eventually wash away all the scum of the old social structure.

D. C. LEE

Shanghai
October 29, 1949

NEW GERMANY

To The Editor:

The proclamation of the German Democratic Republic has, at last, given Germany, after years of waiting and uncertainty, a place in the world again. We Germans are honored and encouraged by the messages of congratulation by the two great leaders of their peoples, Stalin and Mao Tze-tung, and we thank them with all our hearts for their recognition of our government and their support of its principal aim: the establishment of a united Germany.

The leaders of the new Germany, greatly inspired by the continuous successes of the People's Liberation Army and the founding of the People's Republic of China, have taken the first steps to start our country on the march towards peace, socialism and friendship with the peoples of the East. Only on this basis can the unity of our country be achieved and its future prosperity and the livelihood of the people guaranteed. In offering our friendship to the peoples of the East, we follow the advice of our greatest statesman, Bismarck, who admonished us always to be friends with Russia, but we extend this friendship now to all the New Democratic states of the East and the USSR.

By turning our backs on our capitalistic and militaristic past we rob the imperialist war-plotters of their German cannon-fodder and keep our country from becoming the battlefield in a new war for the sake of preserving capitalism. Twice we have tried to impose our will on the peoples in Eastern Europe and twice we have failed. The establishment of the government in eastern Germany shows that at least there people have finally learned their lesson and begun to realize that only by being inseparably united with the socialist countries can we frustrate the plans of the Western Powers to force their will upon Eastern Europe with the aid of Germany. The only result of such a course would be the complete destruction of our country.

Having thus, through the will of the people and in conformity with our highest patriotic aims, become a part of that vast fatherland of the workers and peasants from the Baltic Sea to the Pacific Ocean and the China Seas, let us Germans dedicate ourselves to the great tasks before us, and let us love this newly won fatherland of the common people as we love our native land.

Here in China, let us Germans stand solidly behind our new government and be worthy of the friendship of the Chinese people so graciously offered to us.

K. MAIER

Tientsin
October 27, 1949

KEPT PROMISE

To The Editor:

In April, General Chen Ming-jen, then acting governor of Hunan, after assuming the post of Commander-in-Chief of the KMT Changsha Garrison Headquarters, declared that he would do what the Hunanese wanted him to do. And he has kept his promise.

On the eve of the liberation of Changsha he was formally appointed governor of this province to replace General Cheng Chien, who then secretly campaigned for the peace movement. General Chen was ordered to kill General Cheng, but when the PLA approached the city he decided to revolt against Chiang Kai-shek and offered, with the cooperation of General Cheng, to have the city liberated peacefully.

Chen explained: "I was a student of the Whangpoa Military Academy which Dr. Sun Yat-sen established for the cause of national revolution. Chiang Kai-shek used to tell his subordinates that if he went against the revolution anyone might put him down, I have done what he deserved because everyone knows he is the chief reactionary."

Chen was just back from the PPCC at Peking. In an interview with Mao Tze-tung he was greatly moved to hear Chairman Mao say that it is the policy of the PLA to feed and clothe first those armies who left the KMT.

Chen also visited Wang Yao-wu and Tu Yi-ming, two former famous KMT generals captured at Tsinan and Hsuchow. They were hard at work studying the New Democracy. He took pictures of himself with them and sent them to his friends in Chungking, Kunming, Kweilin, Kweiyang and Formosa to prove that the Central News Agency was wrong when it said the Communists had tortured them to death. By so doing he attempted to persuade other KMT generals to come over to the people's side.

CHANG SHU-CHI

Changsha
October 26, 1949

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THE CHINA WEEKLY REVIEW
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FRANCO GOES VISITING

IN these days of international visits, which have seen the heads of several states needing US dollars making calls at the White House, it is rather interesting to read that Generalissimo Francisco Franco, dictator of Spain, is also doing a bit of "neighborly" visiting.

Franco has just made a trip to Portugal, about the only country where he can be officially welcomed at the moment, although there undoubtedly are a number of people in both Washington and London who would like to see an invitation extended to the man who was put in power by the armed intervention of Hitler and Mussolini.

Franco, it will be recalled, came into power in Spain through a counter-revolution, made successful largely through help given by Hitler's Germany and Mussolini's Italy. At that time the brutality of Franco's legions aroused widespread popular opposition, not only in Spain but also abroad. World War II did nothing to dispel this feeling among the people in many countries since Franco, while keeping Spain theoretically neutral, openly sided with the Axis powers.

However, with the development of the "cold war" between the East and the West, and with the steady swing to the right in the West, Franco and his government gradually have become less distasteful.

There are, unfortunately, all too many individuals and groups who lack any real, deep-seated political beliefs and who therefore operate upon a basis of complete expediency, altering or even reversing their political stand as the dictates of their personal interests of the moment may require. These people are now busy trying to convince the people in their respective countries that Franco would be a strong and acceptable ally.

However, despite the fact that time dulls the memory, and despite the red hysteria which has been whipped up in the West, this still is not an easy job. Thus, we see a number of people going about this task in rather devious fashion. Franco's regime, it is argued, while not exactly "democratic" or "ideal," is "at least better than communism."

A recent foreign press comment upon Franco's visit to Portugal, illustrated one way in which the idea is dressed up for public consumption. It said, "Both General Franco and Senhor Salazar (the dictator of Portugal) have been accused in various quarters of being enemies of democracy but many Spanish and Portuguese political writers have shown that the systems which they head are suited to the actual conditions prevailing in the (Iberian) Peninsula."

Without doubt a number of political writers—especially those working for the Spanish and Portuguese governments—have written in such vein. But what about the large number of political writers who condemn the regimes from havens of safety abroad? Or those writers who are no longer writers because they are at present enjoying the hospitality of the state in one of the countless jails dotting Franco Spain?

Without doubt Franco and Salazar have erected regimes which are "suited" to conditions in their respective countries. Obviously you can't run a dictatorship with a congress or a parliament, or with free democratic elections. It is equally obvious that in a country where opposition to oppression has not entirely died and where such opposition manifests itself in periodic uprisings, the type of government best "suited" for the country—in the eyes of those who wish to see the continuance in power of the regime—is a fascist police state.

The campaign to "sell" the Franco regime to the public in Britain, and especially in America, goes clear back to the days of the Spanish civil war. However, for many years the American people felt too strongly upon the matter for the attempt to make much headway, other than in the most reactionary circles.

Both the American Federation of Labor and the Congress of Industrial Organizations, representing a combined total of some 15,000,000 American workers, had publicly protested Franco's murdering of Spanish trade unionists. Also the writings of such well known figures as Ernest Hemingway had a marked effect upon public opinion.

Nevertheless the campaign has continued, and now, with the cold war becoming more intense, those with special interests in Spain are increasing their efforts to propagandize and confuse the American people.

Along about the beginning of last year, it became evident that the Truman administration itself was becoming interested in bringing Spain out of its isolated position so that it could be added to the camp of the West. Secretary of State Marshall announced on February 11, 1948 that the US had no objection to including Spain in the list of countries to receive aid under the Marshall Plan. State Department spokesman Michael McDermott admitted on March 1, 1948, that the government had no objection to the efforts of Spanish bankers, then enroute to America in an attempt to raise a US$200,000,000 loan from New York banks. At the same time it was revealed that the State Department had

declined to release for publication some 8,000 documents, mostly captured during the war which showed just how closely Franco was linked with Hitler, Mussolini and Hirohito.

The well-known American writer Quentin Reynolds has charged that among these documents are proof that Hitler tested his V-I and V-II rockets in Spain, that atomic research has been going on in Spain since the end of the war under the direction of Nazi German scientists to whom Franco has given refuge, that throughout the war Spanish merchant shipping served as the "eyes and ears" of German submarines, that at least 40,000 known Nazi agents hold Spanish passports and thus are able freely to travel about the world.

Among these documents, it is claimed, is one in the form of a sworn statement by a former French consular official in Manila attesting to the fact that the Spanish consul-general in that city at the time of the Japanese occupation voluntarily gave the names of pro-American Filipinos to the Japanese military authorities. Many of these men were later shot.

One of the best comments we have seen recently upon life in Franco's Spain was a short article in the March 25, 1949, issue of *US News and World Report*, one of the better known conservative magazines published in America.

The article described a military trial in a small town in Spain in which a few defendants, charged with acts against the state, were tried and sentenced.

"The principal defendant . . . was accused of trying to organize an anti-Franco clandestine group. He was also accused of inciting violence. Two others were on trial for operating a print shop where anti-Franco propaganda had been printed. Still another, owner of a small stationery store, was charged with selling paper that ultimately was used to print 'subversive' leaflets.

"The trial went like clockwork. The clerk read, so fast that few could understand, a long statement of the charges. He also read confessions the defendants had signed. . . . As each defendant stood up, the prosecutor fired a barrage of questions, but seldom allowed time for answers. There was a slight interruption when one defendant denied a statement made by the prosecutor. A judge reminded the defendant he had made that statement to the police at the time of his arrest, and it appeared in his signed confession.

"'Isn't this your signature?' the judge asked. 'Yes,' the defendant replied, 'that's my signature. You see, at first I refused to sign because the statements in the confession weren't true, but a policeman hit me over the head with his gun, and, when I regained consciousness, I decided it was better to sign.' The president of the court promptly silenced this defendant and ordered him back to his seat. . . .

"There were no witnesses. The sole evidence was in the form of signed confessions. The prosecutor summed up in about two minutes, concluding with a recommendation of sentence. . . . For the frightened little store-keeper who sold the paper, the prosecutor asked six years; for the printer and his wife, 12 years; for the principal defendant, death before a firing squad. . . .

"Then the trial was over. As far as I could tell, the sentences recommended by the prosecutor were affirmed."

One of the latest pro-Franco statements by a prominent American was contained in a press agency dispatch from England which quoted US Congressman James Murphy as saying that he was on his way to visit General Franco, who he thought would be a sound asset to America in event of war.

There appears to be growing evidence that the long pro-Franco campaign in America may —in view of East-West tension— bring results. This is indeed an unhappy prospect. Morally such a development is indefensible. Practically —as experience in China and Greece has so well demonstrated—fascist allies are inherently weak and prove more of a burden than a support.

Any rapprochement between the Franco regime and the Truman administration will only advance the date when the American people will have to face the fact that their government has made a terrible mess of the country's foreign policy, that it has clasped to its bosom virtually every international gangster government which it could find, upon which it has lavished huge and irredeemable sums of the taxpayers' money.

This policy of turning to the right, which consists of shaking hands with fascism abroad and of condoning increasing repression at home, can only lead to disaster.

INDIVIDUAL FREEDOM

LAST week we commented upon life in present day Shanghai, dwelling at some length upon the question of protection of foreigners' lives and property since the liberation. We pointed out, in answer to several queries from friends and acquaintances abroad, that it was our opinion that law abiding foreigners in Shanghai received more and better protection today than in the days when the Kuomintang was running Shanghai.

Since then, several local readers have asked us questions on the overall subject of freedom and protection. We have been asked specifically if we didn't think that there had been a loss of individual freedom since the liberation.

It is our view that life in Shanghai has become a great deal freer since the liberation. True, some individuals, accustomed in the past to trodding roughshod over their less fortunate fellow residents, are finding that their freedom to dictate to others has been restricted.

This is particularly true in regard to labor-management affairs. One foreign businessman whom we know personally found his "freedom" so restricted that he packed up and left. He

employed about 100 Chinese workmen, whom he paid only slightly more than starvation wages. In the past, whenever his workers went on strike, or even threatened to do so, this man called up the then mayor, K. C. Wu, who would get the union delegate on the phone and tell him to order the men back to work or else the police would be sent over to see what the trouble was. In at least one such instance the question of whether or not some of the labor leaders might be connected with the Communists or be "communistically-inclined" was raised. Each time the workers went back to their jobs with little or no gains.

Shortly after the liberation this man was faced, as were most other employers in the city, with a demand for pay increases. This time, however, there was no one in authority to turn to. Finally, in utter dismay our acquaintance was forced to enter into detailed wage negotiations. However, accustomed to having his own way, he found this too unsatisfactory and attempted to complicate the issue, dragging out all sorts of red herrings. Despite claims of personal sickness, inability to pay, official instigation of the labor trouble, he could find no way out. Eventually, after having become thoroughly confused and emotionally upset, he closed his plant, paid off his workers (at considerable cost to his principals in the US), sailed for America on the General Gordon and is now busy telling folks back home that it is no longer possible for American business to operate in Shanghai.

One might say that this man's freedom of action was restricted by the new set-up here. In the past, he could claim that the labor difficulties were the result of "trouble-makers" or he could plead financial difficulties and, through the interference of an officialdom beholden to Americans in general, escape paying a living wage. After the liberation this was no longer possible.

However, if by "restriction" is meant interference with one's freedom to operate as one desires, to live one's life as one wishes—so long as such desires do not inflict harm or unnecessary burden upon one's fellow residents—we fail to see any restriction upon the individual's freedom to do as he pleases.

The days of unlimited freedom for the few and no freedom for the many in this country seem to be over. This is a fact which must be faced. If a particular individual, who formerly enjoyed the luxury of being among the "few" finds that his methods of operation—even his profits—are restricted by the new conditions, he may choose to say that there is no freedom here any more.

However, if one is willing to view the situation as a whole, considering all the population and not just the segment of it to which he may belong, it seems to us that the only possible answer is that there is a great deal more freedom, as well as protection, than was the case in the past.

25 Years Ago In *The China Weekly Review*

The Foreign Businessman

November 8, 1924.

The future of the foreign businessman in China, therefore, will be dependent on his being successful on the same lines as an importer, and exporter, as has been the case up until this time. That his chances of making a profit are much less now than they have been cannot be gainsaid. That they will become less in the future is almost a foregone conclusion, as more and more of the Chinese are learning to do this work for themselves. That the point will be reached, during the next 20 years say, when the profits that the foreign merchant in China will be able to earn will be so small, that he will have to work harder, take more risks, and in the end probably have less for his labor than if he stayed at home is quite possible. . . . That there will always be room in China, as there is in any part of the world, for technically trained experts in the industrial field, is undoubtedly the case, but even here the foreign expert will more and more have to meet the competition of the foreign-trained Chinese expert. Even today, many so-called foreign experts in the purchase of Chinese commodities such as cotton, wool, hides and so on, depend to a large extent for their decisions upon the judgment of their trusted Chinese assistants. It is possible that it is because of this fact that one hears frequently of heavy losses in these lines suffered by foreign merchants, particularly in the North. But to put in a final word, namely as to the chances for a young man in the purely business field in China, as opposed to engaging in a business career in his native land, the future here is such as to make any one ponder seriously before he makes a decision.

Information About China

There is probably no other country in the world concerning which so many fallacies exist and about which so much that may fittingly be termed rot has been told as holds in the case of China. From early times when the Augustan poet Horace mentioned the Chinese under the name of the Seres, China has to most Europeans been thought of as a country on the furthest confines of eastern Asia which has had little to do with foreign lands and peoples. It has been thought of as a country in which anything odd—from the Western point of view—and unusual may happen, and in which things are upside down and hindside foremost, an almost fairly-tale condition of topsyturvydum. Goldsmith with his inimitable wit described the old English lady who on hearing that a Chinese was present at a social function bustled up to look at him exclaiming, "Well, well, and so this is the man who was born so far away from home!"

10 Years Ago In *The China Weekly Review*

Japanese View on Gum-chewing

November 11, 1939.

A Japanese, Shigetsu Sasaki, writing in the October issue of the magazine Nippon, expressed the view that foreign troops would have no chance of winning and "would lose 100 out of 100 battles against the Japanese." He said, "Whether American Doughboy, English Tommy or French Poilu, if they fight with soldiers of the quality of our men, they would have no chance of winning and any gum-chewing army will lose. . . ."

Military Report

A lull has apparently set in on the northern Hunan front, scene of the recent rout of Japanese forces driving toward Changsha, but intensive military activity has lately been reported in western Hupeh, western Shansi and—for the first time in many months—in Inner Mongolia.

According to a Reuter report from Chungking on November 5, Japanese forces are engaged in a westward drive in Hupeh province, with the capture of Ichang, Yangtze River port at the entrance to the famous Gorges, as their goal. Severe fighting is said to be proceeding in central Hupeh along the lower reaches of the Han River, with Japanese troops engaging Chinese forces in the region of Mienyang, 60 miles southwest of Hankow on the south bank of the Han.

Spotlight On Vietnam

After four years of war, French forces are no nearer victory in Indo-China. Vietnam regime controls countryside, unites all groups in fight for liberation.

TO France, Vietnam spells rubber, tin, coal and rice and an exploited poorly-paid population that can help to shore up the weather-beaten French economy. But to Asia, this country that has lain in foreign hands for 80 years, whose people have been artificially divided and calculatingly set one against another, spells another foundation stone for the new Asia that is emerging, an Asia where imperialism has no place. Now only tenuously held by the French and perhaps the weakest link in the colonial chain in Asia, its final release from imperialism cannot be far off, may be scarcely a matter of years, and recent Vietnam successes on the very outskirts of Saigon, one of the last French strongholds in the country, serve to highlight the last pages of a chapter of imperial adventure.

Vietnam—Bacbo (Tonking) to the north, the central province of Trungbo (Annam), and Nambo (Cochinchina), the three making the national entity called Vietnam (Indo-China)—has had a long record as one of the most corruptly-administered of colonies. Corruption and maladministration reached their logical conclusion when the French administration, faced with the alternatives of resistance to Japan (which could only have been accomplished by encouragement of mass movements among the native population, a dangerous and suicidal course for any colonial administration to embark on) or collaboration with the Axis, threw in its lot with Vichy, with Laval and Petain, with the Japanese, until it too in its turn was cast aside by Japan in March, 1945.

United Against Japan

It remained for the Vietnamese themselves to unite the country against Japan, to rally the whole population under the Viet Minh (League for the National Independence of Vietnam) which from its founding in 1941 served as the focal point of the united front of all patriotic parties and organizations, and by their guerrilla activities to make a dramatic and significant contribution to Japan's defeat. When Japan collapsed in August 1945 virtually the whole northern part of the country and parts of the south were in Viet Minh hands. And could one blame the Vietnamese for believing that, with the war ended, the country would continue to be theirs? For, over and over again, they had heard during those war years, Radio Chungking proclaim the Atlantic Charter and its right of self-determination of nations; had heard the United Nations' Charter announced; and was not France herself a signatory to those Charters.

When Ho Chi-minh, leader of the Viet Minh, proclaimed the Republic of Vietnam at Hanoi on September 2, 1945, he had a right to expect, by virtue of Vietnam's achievements, by popular assent and Allied promises, that Vietnam's independence would not only be tolerated but welcomed and offered cooperation and help. But Asia still had bitter pills to swallow. The days of peace were numbered. On September 23 British forces landed and held the ports. The French moved back. The Japanese troops, still armed, were turned against the national liberation movement. The hands of history's clock were being forced back again as fighting broke out throughout the country. In September 1946 a modus vivendi was signed in Paris between the French and Vietnam representatives but in November of the same year the September agreement as well as an earlier one drawn up in March 1946 were violated.

French Launch Attacks

Fresh attacks were launched against Vietnam in Haiphong, Langson and Hanoi resulting in the bitter nation-wide fighting which is still going on.

Yet it was only a little while before the West began to realize that someone had made a serious mistake, had in fact miscalculated the strength of the Vietnamese people, and had dismissed too lightly and too easily their national aspirations. The realization grew, confirmed by sober facts. For today, after four years of hard and expensive fighting against a resistance that increases daily, in a country that was given back to them after they had proved grossly inadequate even to control it with military power, the French hold only a few major cities, Saigon, Hanoi, a string of towns along a narrow coastal strip, and here and there an isolated area in the interior. Even in these centers French forces spend troubled nights. Guerrilla skirmishes, activities in the suburbs of the strongest-held towns, the constant ambushing of convoys sent to relieve advance outposts and pockets of French rule, the ever-present threat of disruption of communication lines, are a reminder of their weakening hold.

Every tactic has been resorted to by the French in an attempt to extend their rule—the use of foreign mercenaries to fight the war, exploitation of puppet leaders, divisive tactics of every kind to break the unity of the resistance, and even terrorism. Now the final trump card of the French is being played in the restoration and propping up of Bao Dai, known to the Vietnamese as "plump playboy" and "nightclub emperor."

Bao Dai reigned from 1932 until 1945 when he abdicated, flirted with the Republic and the French, and finally threw in his lot with the French. His long record as a French puppet, a collaborator with the Japanese, his corruptness and uselessness have made him detested both by the common people and the nobility whom he claims to represent. Bao Dai is under constant heavy guard.

Last April when he arrived in Dalat, French-held resort in Annam, French press reports stated that his chauffeur was instructed to drive from the airport to the city at high speed, and guards were posted at intervals of five meters with their *guns and bayonets pointed toward the countryside*. Those responsible for his homecoming were quickly disappointed by the people's lack of enthusiasm. "Only the very simple and those who have been out of the country during the last four years," said a French trader who had been living in Indochina for over 15 years, "could imagine that this official entry by the Dalat back door could rally the Vietnamese masses to the support of Bao Dai." (*Paris Press*, May 18, 1949). A few months ago the Republic of Vietnam named Bao Dai as a traitor to his country.

By 1949 the Vietnam national movement was in control of more than three-quarters of the country even though in their war of reconquest the French had brought in more than 100,000 troops. An additional 10,000 were brought in both just before and just after Bao Dai's return. Of these troops a large number are said to be German and African troops of the Foreign Legion. The unsuccessful war is costing France a huge sum of money—estimates place the cost at well over a third of what France herself receives from Marshall Plan aid.

Smaller than the Kuomintang "rat hole" but equally ineffective, this "rat hole" too is being fed from the resources of the American people. For the French people the noose of economic strangulation is being tied tighter to enable France's reactionary cliques to restore their power in Asia. Economically postwar France has gained little from her struggle to regain Indochina where industry has been at a standstill for several years. Her position is hopeless—the morale of her soldiers is low; thousands have already deserted to the Vietnam side and are serving with the Republic. But whether France will realize her predicament and pull out before she is driven out appears very unlikely.

Unity of Vietnam

The unity of Vietnam in its struggle for liberation has been a constant source of admiration and alarm to the friends and foes of Vietnam. The simplest explanation for this unity is that all Vietnamese hate French colonialism and are determined to fight for national unity and independence. French imperialism had its own special evils; for exam-

ple, the use of opium and alcohol were encouraged and served to help make the people passive to French repression. Marginal starvation was the permanent condition of the great majority of the population, especially among the peasants, who make up 90 percent of the population.

After 80 years of French rule less than 15 percent of the population were literate. France had built more prisons than schools in Indochina. Peasants had been ruthlessly dispossessed to provide cheap labor for mines and plantations. With a feudal and colonial economy it was not surprising that the bourgeoisie was small and insignificant, for the accumulation of capital by Vietnam nationals was almost impossible. Very few benefitted from French rule and these were among the hated puppets supported by the French. The reason why all sections of the population support the national liberation movement is that all of them have felt either directly or indirectly the results of French oppression. (1)

United National Front

Toward the end of 1946, apart from the Viet Minh front which comprises all political parties and independent personalities, the "League for National Union" was created which includes 11 organizations and communities in Vietnam. In March 1949 the Viet Minh and the League were merged into an overall "United National Front" which claims a membership of 11,000,000 Vietnamese out of a total population of 22,000,000.

(1) See Review, December 4, 1948 and January 1, 1949 for two articles by William Johnson entitled, "Vietnam's Fight for Freedom."

Represented in the "United National Front" are Vietnamese who belong to the parties participating in the Coalition Government, such as the Marxist groups, a Socialist Party, Democratic Party, nationalists of all colors and non-party individuals.

Broad Unity

Also included are representatives of the national trade union movement, the Union of Vietnamese Women, the Union of Vietnamese Youth, Peasants' Associations, Catholics, Buddhists, religious associations and various cultural associations. The participation of the Christians, particularly the Catholics, in the Vietnam movement, is indicative of the broad unity of the Vietnam forces. Over 10 percent of the population of Vietnam is Christian, chiefly Catholic, and in spite of French divisive attempts, including consultations with papal officials as to how to bring the Catholics of Vietnam into line, this community has been a strong supporter of the liberation movement.

A prominent French Catholic named Jean Chesneaux wrote last April in a Catholic magazine: "As Catholics, we are sensible to the significance of the presence of the great majority of Vietnamese Catholics in the Resistance. This is a political fact which enables us to corroborate the validity of the proper political action we are undertaking. We therefore are led to demand that our government make peace with Vietnam."

Among the political achievements of Vietnam have been the election of a national assembly, a president, and the promulgation of a constitution. For a country which has never had any previous experience in democratic processes, progress has been remarkable.

The Constitution which was adopted by the Vietnamese National Assembly on November 9, 1948 guaranteed the following rights: equality for all without distinction with regard to sex, race or religion; guarantee of all democratic freedoms—speech, opinion, association, conscience and worship, residence and movement; individual freedom; respect for private property; guarantee of the interests of intellectual and manual workers; free, direct and secret universal suffrage to all citizens 18 years of age and over.

But most remarkable of all is the participation of the common people of the local level in the affairs of government. Village committees, cantonal, regional, provincial, municipal and local committees are established in which the people are strongly encouraged to participate. The village committee participates at its own administrative level in the diffusion of literacy and schemes for economic rehabilitation. Elections to them are by universal suffrage, direct vote and secret ballot. Terms are for six months and members are eligible for re-election. Where the inhabitants of the villages are of diverse races, the principal of proportional representation is applied.

Political developments on the local level were due largely to the Republic's campaigns to wipe out illiteracy and raise the standard of living of the peasants whose standard of living was very low. Within three years illiteracy was reduced from 85 to 40 percent. Through dike repair programs, rent and tax reductions and the introduction of simple agricultural improvements, production increased and the condition of the peasants gradually improved.

Relations with China

As the military situation in Vietnam worsens for the French, every herring is dragged up including one of collusion between Mao Tze-tung and Ho Chi Minh. French reactionaries have publicized the activities of the Vietnam forces near the Chinese border as a "Communist plot" between the two countries. Actually President Ho announced that the Vietnam forces would stage a counter-offensive to oust all French forces along this border region and elsewhere in Vietnam many months ago. But in the hopes of securing further US and British backing, perhaps in the form of a common anti-Communist front in Southeast Asia, which would serve to further French colonial occupation of Indochina, such stories are being fabricated.

In August 1949 Ho Chi Minh was asked by an American correspondent whether he thought that the Chinese Communist victories would represent a basic shift in the Asian balance of power in a direction favorable to Vietnam. Ho Chi Minh's answer was in the affirmative with the following explanation: "But Vietnam always relies on her own force to win her independence." In the same interview the Vietnam president was asked to describe the similarities and differences between the New Democracy in China and Vietnam's social and economic program. In his reply Ho Chi Minh stated that insofar as the New Democracy and Vietnam's plans are both for the people, there is similarity, and that insofar as China's New Democracy is Chinese, and Vietnam's plans are entirely Vietnamese, there is a difference.

— *CATHERINE PEAKE*

China's Largest Province

Sinkiang, freed from KMT suppression of minorities, now must develop its natural resources and put its arable land to work. Regional autonomy seems ahead.

ON October 20 motorized units of the People's Liberation Army, which had taken to wheels to cover the distances of the northwest, rolled into Tihwa, capital of Sinkiang, and into the famous caravan city of Karashar. Thence they swept around the deserts of the Tarim Basin which lies like a vast blister, habitless and featureless in the center of Asia.

Meanwhile the progressive "Ili" leaders had been invited to quit Inning and return to the capital of this largest of China's provinces. In 1944 and again in 1946 they had broken with the Kuomintang provincial regime and set up their own autonomous region along the Russian border. Their places in Sinkiang's defunct coalition government of 1946 were waiting for them. Presumably in the People's Provincial Government yet to be formed they will play a leading role. Like most of Sinkiang's populace they are generally either Turkis (Uighurs) or Kazakhs, as opposed to Han Chinese.

KMT Rule Ends

Thus for the first time this Ili group, which previously had had no avowed link with the Chinese Communist movement, joined forces with it at last. The Kuomintang rule of the province and its suppression of the Turki national movement were at an end.

Already the Ili group was represented in the new government in Peking. Saifudin, a Turki who as Commissioner of Education was one of the Ili representatives in the Sinkiang coalition government of 1946, is now a member of the Central People's Government Council and Deputy Director of the National Minority Affairs Commission.

When, on September 25 and 26, the Sinkiang Provincial Government broke with the Kuomintang and pledged its allegiance to the new government in Peking it was in part a victory for Chang Chih-chung, as well as for the Ili leaders. In his message to Peking, General T'ao Chih-yueh, chief of the Sinkiang garrison, hailed the leadership of Chang Chih-chung and his policy of friendship for the Soviet Union. Chang, who is now a member of the Central People's Government Council, had been Kuomintang administrator for Northwest China.

In his reply to the greetings sent him by General T'ao and the provincial chairman, Borhan, Chang Chih-chung told of his long struggle with the Kuomintang to bring enlightened rule to Sinkiang and promote close relations with the USSR.

"Amity between China and the Soviet Union has been my life-long idea," Chang wrote. "However the Nanking government was anti-Soviet and the conservative forces within the province were also anti-Soviet. Under the cross-fire of internal and external antagonisms I have undauntedly maintained a pro-Soviet policy. This was the main guarantee of peace and order in Sinkiang and of tremendous importance."

Actually, only with Russian help can Sinkiang be developed rapidly. The one period of administrative reform, economic development and educational expansion in Sinkiang in recent decades was during the pro-Soviet period of the rule of warlord Sheng Shih-tsai. It is natural for Sinkiang to look for help toward its great, highly industrialized neighbor to the north.

Geographically, Sinkiang is closer to Soviet Central Asia than it is to China Proper. In particular the three northwest districts, which for a time in 1946 constituted the East Turkestan Republic, are geographically oriented towards Russia. From Ining to the Turksib railway in the Kazakh SSR, it is 170 miles. Not far beyond are the modern cities of Soviet Central Asia. In the opposite direction it is over 1,400 miles to the nearest railroad on the frontiers of China proper. The valleys of the northwest districts drain into Russia and the only water from Sinkiang to reach the sea flows all the way across Russia, down the Irtish and Ob Rivers, into the Arctic Ocean.

The job cut out for the new regime in Sinkiang is tremendous. This is true despite an extremely thin distribution of population. The province for generations has lacked the strong central administration necessary to develop its mineral resources and put its arable land to work.

Sinkiang is basically a vast region of arid gobis—rocky deserts on which there is almost no life except rare varieties of wild donkey, wild camel and gazelle. The province is subdivided, however, by gigantic mountain ranges the height of whose snowy peaks has never been measured. In the Tien Shan alone there are an estimated 7,000 glaciers whose melting feeds a comparable number of rivers.

Rivers Are Short

Unlike the rivers in the rest of the world which swell as they advance, these rivers shrink. The further they get from the mountains the smaller they get until finally they seep out of sight into the desert or end in stagnant salt lakes. It is where these rivers emerge from the mountains onto the gobis that the oases have been built which shelter most of the population of Sinkiang. The farms which support this population are dependent on efficient use of the rivers for irrigation. Such use depends on a vigorous, honest central regime.

That Sinkiang has long been without such an administration is witnessed by the sight of these oases today. For miles one drives through country which was once farmed. There are the irrigation ditches, the shadows of ancient fields, the ruins of abandoned villages. But the requisite authority to keep the elaborate water system in operating condition has been lacking.

About 3,620,000 acres of land are cultivated—only one per cent of the province's total. It has been estimated that 6,700,000 more acres could be cultivated under an efficient government.

The water problem alone makes Sinkiang no place for laissez faire. Frequently canals have been built by rich landlords who then monopolize the water and sell it to the peasants for a sizeable share of their harvest. Water disputes have been frequent, including fights between the downriver people and the upriver people as to who should get the most water.

As one non-partisan foreign report on Sinkiang put it, "No flood control or regulation of river channels has ever been instituted. No equitable distribution of water has ever been enforced. Peasants have been under constant threat of floods, lack of water and changes of river channels. The provincial as well as the local bureaucrats have proved incapable of remedying the situation."

Landlord-peasant relationships have been semi-feudalistic with widespread rack-rent and forced labor service.

Mineral Resources

So far as is known, Sinkiang's most important mineral resources—oil and wolfram—are concentrated primarily in the three northwest districts along the Soviet border. The Wusu oil field may be China's richest, surpassing even the field at Yumen in Kansu. Developed early in the war years with Soviet aid, it was said to have produced straight run gasoline. The oil coming out of the ground did not have to be refined. After running through a topping plant it could be put directly into an automobile. It was reported that when Sheng Shih-tsai turned against the Soviet Union in 1943 about 25 working wells were plugged up at Wusu and the field closed down. The drawback of this field is its remoteness from China Proper. Possibly its output could be distributed in Soviet Central Asia in exchange for an equal amount delivered by sea from the oil fields in Sakhalin.

Development of oil production is one of the primary tasks of the new government. In spite of her greater resources, China in recent years has produced less oil than the meager wells of the British Isles. Her fields are remote. The general transportation network must be developed before they can become useful.

Perhaps it can be said that the peaceful entry of the PLA into Sinkiang was first assured by the decisive victories won west of Sian in June and July by the First Field Army of General Peng Teh-huai, reinforced by the North China Army Group. In early June Generals Ma Pu-fang and Ma Hung-kwei sent their much-touted armies from their home provinces of Ningsia and Tsinghai, to join General Hu Tsung-nan in an apparent attempt to retake Sian.

They were stopped and repeatedly beaten back by the PLA, and their

strength was apparently broken for good in the capture of Paochi on July 12. According to the *New China News Agency*, four Kuomintang armies were destroyed on that day alone, with 30,000 taken prisoners, 10,000 killed or wounded and thousands more drowned trying to swim the Wei River. From then on the First Field Army advanced steadily into the Northwest, although there was hard fighting at some places such as Lanchow.

The sequence of events immediately preceding the entry of the PLA into Sinkiang was as follows:

On September 25 General T'ao Chih-yueh, then commander of the Kuomintang forces in Sinkiang, and his top subordinates wired Chairman Mao Tse-tung and other leaders of the new government in Peking announcing their transfer of allegiance to the PLA. The message said in part:

"We, the officers and men stationed in Sinkiang, during the past three or four years, under the leadership of General Chang Chih-chung, supported the internal policy of peace and the external policy of friendship with the Soviet Union. Since General Chang's departure from the Northwest the situation in China Proper has changed. General Chang has repeatedly exhibited his concern and instructed us in the great virtues of revolution. He urged the officers and men of all his forces to hasten to join the camp of people's democracy, thus contributing to the benefit of the country."

Troops Await Orders

The message ended by saying, "All our troops will remain where they are to maintain local order. We are awaiting orders from the People's Revolutionary Military Committee and the headquarters of the People's Liberation Army."

The next day Borhan, head of the provincial government, and his subordinates sent a similar message to Peking. It said that due to China's internal political situation and "especially because of obstructions on the part of the Kuomintang reactionaries" it had been impossible for the coalition of 1946 to succeed.

In evident reference to relations with the three autonomous districts along the Soviet border, the message said that despite failure of the coalition, peace and stability was maintained "due to the support of the people of all nationalities of the entire province as well as due to encouragement by the great, friendly power."

The message announced formation of the provisional people's government and invited the members of the old coalition government now in Ili to return to Tihwa. As in the case of the message of General T'ao, the eight-point peace formula announced early in the year by Chairman Mao was accepted and the convening of the Chinese People's Political Consultative Council in Peking was hailed.

Several days later Chairman Mao and Commander-in-Chief Chu Teh acknowledged these messages, stating in part: "We are very glad and hope that you rally the military and administrative personnel to maintain national unity and local order and cooperate with the People's Liberation Army which is ready to march to Sinkiang. Abolish the old system, carry out the new system and struggle for building up a new Sinkiang!"

On September 29 Chang Chih-chung in Peking sent a message to Borhan and General T'ao hailing their denunciation of the Kuomintang and reviewing his own term of rule in the Northwest. He listed as the good points of his administration:

1) Encouragement of rule of the province by those of non-Chinese race who make up the great majority of inhabitants, rather than by Chinese.

2) Promotion of a pro-Soviet policy, despite opposition by Nanking.

3) Reduction of taxes, and of food and clothing requisitioning for the troops. Institution of payments for those items requisitioned.

4) Compromise and cooperation with the national groups of Sinkiang to ensure peace in that province.

He said, however, that he failed in many respects. He made too many concessions to the conservatives, he said. "I appealed to the radicals, especially the progressives of Ili, telling them that the main feature of so-called democratic policy was to allow the existence of reactionaries. I failed to see clearly the gap that separated the progressive and retrogressive forces, with the result that unrest within the province was augmented."

He blamed his attitude on "the influence of bourgeois democratic ideology" as well as on the fundamental nature of the Kuomintang.

Other errors he cited were his resignation from the governorship in favor of Mesud Sabri (regarded as a stooge of Nanking by the Turki nationalists); his failure to institute largescale reconstruction; and his tolerance of anti-Sovietism among conservatives of various nationalities within the province.

Regional Autonomy

What is in store for Sinkiang as a whole is partly indicated in an editorial which appeared on October 4 in the *Liberation Daily*, Communist Party organ in Shanghai. It described conditions in the autonomous zones as compared with those in the rest of the province. It said that in 1945 10,000 people joined the newly-formed Revolutionary Youth Corps of those areas. Later the Corps was included in a larger "League for Defending Peace and Democracy."

Whereas the radio station at Tihwa said only 16,000 children in the province's four most populous zones were attending school, a single one of the autonomous zones had that many, the editorial said. Special textbooks have been published for the different races, it added.

An independent report last year by a foreigner visiting Sinkiang said that at the Sinkiang Academy in Tihwa—the only institute of higher learning—there was only one Turki student because all courses were in Chinese and hence were incomprehensible to most of the inhabitants.

Chapter Six of the Common Program of the new government concerning policy toward nationalities appears applicable to Sinkiang. Article 51 says in part, according to an unofficial translation, "Regional autonomy shall be carried out in areas where national minorities are aggregated, and autonomous organs of the various nationalities shall be set up according to their respective population and size of the region."

This would seem to apply to the 13 racial groups in Sinkiang, each of which has its own language and literature. Perhaps the already-established Inner Mongolian Autonomous Region will serve in some respects as a model for Sinkiang.

— *W. S.*

CHINA'S WOOLEN TEXTILE INDUSTRY

A RECENT survey of the woolen textile industry by the *Shang Pao*, a local economic newspaper closely connected with the Shanghai Chamber of Commerce, revealed that more than 60 percent of the industry is centered in Shanghai.

China possesses a total of 85,348 worsted spindles, of which 15,068 are foreign owned; 19,016 knitting spindles, of which 6,980 are foreign owned; 30,060 woolen mule spindles; 14,085 woolen ring spindles; and 2,082 weaving machines.

In Shanghai there are 63,556 worsted spindles, 26,596 of which are privately owned and 36,960 of which are state owned; 11,076 knitting spindles of which 9,576 are privately owned and 1,500 state owned; 12,540 woolen mule spindles of which 7,504 are privately owned and 5,036 state owned; 7,460 woolen ring spindles of which 4,480 are privately owned and 2,980 state owned; and 1,754 weaving machines of which 1,488 are privately owned and 266 state owned.

Letter from Manila

THE political temperature of this city is rising daily as the date of the national elections, November 8, draws near. By the time this report reaches Shanghai, the Filipino people will have gone to the polls and will have chosen by vote one of the three presidential candidates, Quirino, Laurel or Avelino, to lead their country for the next four years. Opinion is divided as to who has the best chance of winning, with Quirino and Laurel generally conceded greater support than the "dark horse" Avelino. However, the last named is tremendously active in his campaigning, going from barrio to barrio, often from house to house, talking with all sorts of people and building, so they say, a considerable personal following. But, whether that in itself would prove sufficient to defeat Laurel's already tremendous popular support or Quirino's powerful political machine is questionable.

Perhaps Avelino's best chance lies in the personal warring between the two major candidates whose campaigns, so far, have been largely a matter of smearing each other.

Quirino's misappropriations of public funds for his personal use (71,000 pesos spent on his private home and a like amount for personal furniture in Malacanan, the presidential palace) has given the Laurelistas much fodder for verbal chewing and spewing, while Laurel's three years as puppet president under the Japanese provides an endless source of comfort to his political foes.

Only Honest Candidate

Nevertheless, while the Filipino people are still very bitter about their treatment at the hands of the Japanese during the occupation, many of them have great faith in the honesty and patriotism of their wartime leader. He, of the three candidates, is the only one referred to generally as an honest administrator.

Corruption in the present government is both rampant and widely publicized. Even the most loyal of Quirinistas, though defending the personal honesty of their candidate, admit to widespread "anomalies" in his administration. However, the fact that the "dissident elements," the Hukbalahaps, have publicly endorsed Laurel is considered in some circles an advantage to Quirino and an embarrassment to his principal opponent. One important factor in this connection is that the Philippines is a predominantly Catholic country, and thus considerable political capital can be made in some circles by labeling the Huks as "anti-religious Reds."

Campaign Issues

As for the campaign issues involved, Quirino's platform seems to be based on his self-announced excellence at handling foreign affairs. His promotion of friendship with the United States, his leadership in proposing the Southeast Asia Union, his closeness to Romulo, present UN Assembly head—these he wears as feathers in his cap.

However, the Filipino people are far more concerned with the economic present and future of their own country than with its political relations to the rest of the world, and their reactions to Quirino's international maneuverings have so far been lukewarm.

Public opinion polls indicate a strong nationalistic sentiment which resents too much economic dependence on any one outside nation and would erect trade barriers to protect and encourage Filipino industry. Just how this is to be done, of course, is another matter; for while it is easy to legislate import controls to block the flow of imported goods and conserve foreign exchange, the fact remains that the Philippines do not produce enough food, let alone other necessities, for their own consumption. Even rice and pineapple, both raised on the islands, must be imported to supplement home production.

Ever since the devaluation of the British pound, there has been a flurry of rumors that the peso might follow suit. A number of firms hastened to exchange their surplus pesos for hard currencies like the Swiss franc and the US dollar, keeping on hand only enough to operate with. The devaluation can be accomplished through an agreement between the Filipino government and the President of the United States, and does not require action by the United States Congress, as many people believed before the prospect became likely. Of course, the Filipino government stoutly denies any probability of devaluation, which, if this were Shanghai in 1948, would lead one to assume that devaluation was imminent. The fact remains, however, that the copra market is depressed, and the devaluation of pound sterling has made it possible for copra produced in the Malayan and neighboring states to compete very favorably with the Filipino product, despite existing preferential tariff rates granted it by the United States.

While there are virtually no signs of unrest among workers in private industry, labor in government-managed and government-owned enterprises is another story.

A case in point is the Manila Railroad Company, whose employees have been agitating recently for higher wages which the railroad officials refuse to grant on the ground that the railroad is already in debt to the tune of 28,000,000 pesos. A show of force, involving tanks and armored cars, by the Philippine Constabulary "for the purpose of protecting property and maintaining law and order" has failed to avert a threatened strike by 370 engineers and has drawn considerable private and public criticism.

The situation is still unresolved, but an interesting sidelight is thrown by Avelino's offer of legal and material assistance to the strikers. The Liberal Party, Avelino wing, blames the present controversy on the "lack of a social justice program by the present administration." Workers of the Metropolitan Water District are also threatening to strike if certain wage increases and concessions are not granted.

Recognition of China

Recently, there has been considerable speculation as to whether or not the Philippine Government will recognize the People's Government in China. No official statements have been made to indicate that it will, but the problem is known to be under discussion. Consul Mariano Ezpaleta, who was recently recalled here from Shanghai to run for political office on the Quirino ticket and to confer with President Quirino on the China situation, has stated publicly several times that the Communist administration of Shanghai has been orderly and constructive and that he felt the new government was doing a good job. When questioned as to whether or not he would recommend recognition, Ezpaleta declined to comment, saying that any such information would have to come from the Foreign Office.

The problem of recognizing Communist China is a ticklish one here, for the Philippines have long sustained a large Overseas Chinese population (estimated at well over 100,000 aliens and ten times that many Filipino-Chinese citizens) which wields considerable economic and political influence. While the majority of Chinese apparently are more interested in business than politics, it is claimed that there does exist a more or less underground core of active communist or pro-communist groups who are alleged to be aiding the various "dissident" elements in central

The Pacific Pact is shown as General MacArthur's pipe dream in this cartoon from the Giefang Rhbao. Philippine president Quirino beats the drum and Chiang Kai-shek hangs from the stem.

Luzon. This, plus the past smuggling of Chinese aliens into the Islands, has alarmed some groups and has resulted in demands that no more temporary or visitor's visas be issued to Chinese, many of whom, it is claimed, tend "to melt into the local Chinese population and disappear." That the ban will actually come about is doubtful, for overpopulation is not yet a problem in the Philippines and relations between the Chinese and Filipinos through the Islands are surprisingly smooth. In any case, action on any sort of ban is unlikely until after the elections, for all politicos are far too busy campaigning at present to think of much else.

Another problem confronting the government is that of encouraging private capital investment in the development of the nation's natural resources and industry. Much of the needed capital would have to come from private sources as the government itself does not have the wherewithal to undertake any large-scale program of national development.

The US has already spent close to $2,000,000,000 in the rehabilitation of the Philippines since the war, and no further largescale aid appears to be forthcoming after the rehabilitation clauses of the Bell Act expire in 1951. There is a lot of talk in planning circles of ways and means to attract foreign capital, but so far the laws of the land have tended to discourage such investments. It is interesting to note in this connection that in 1938 the number of foreign corporations (owned by Spanish, American, Japanese and Chinese nations) exceeded the total number of Filipino ones by about six percent. The actual comparison is probably not very different now.

The truth of the matter is that the Filipino capitalists so far have shown themselves to be either unwilling or unable to provide both the initiative and capital to develop their own country. This has been decried by various Filipino economists and government experts, who have publicly called upon their wealthy compatriots to take the lead in investing in the future of their country.

October 17

ELEANOR HARVEY

REVIVAL OF CHINA'S INDUSTRY

REPORTS reaching Shanghai in recent weeks indicate a gradual revival of industry in many sections of the country. In fact one gets the impression that industry is not only reviving but is expanding—and at an increasing pace.

China's Northeast, formerly referred to as Manchuria, and generally regarded as one of the areas containing the greatest possibilities for industrial development in the country, appears to be leading all other regions. Frequent press dispatches from the main cities tell of production quotas being met or exceeded, or, occasionally, missed by only neglible amounts, of the opening of new industries, of the expansion of existing facilities, and of plans for future increases. Speeches and private reports by various local residents returning from tours of this area tend to confirm these press accounts.

Indicative of the situation is the current drive to recruit trained personnel in Shanghai and other metropolitan areas in this part of China for work in the Northeast. Mr. Feng Chung-yun, chairman of the Sungkiang provincial government, in a recent speech in Shanghai, stated that the three-year plan for economic development aims at restoring the industry of the Northeast to its previously highest industrial point, which, presumably, was reached during the hey-days of Japanese exploitation.

A large number of trained personnel are required and Mr. Feng announced that he hopes to recruit 3,000 such technicians on this trip. While Mr. Feng's figure of 3,000 is the largest yet mentioned, he is not the first recruiter to come to Shanghai in recent weeks. Before his arrival, the city had other visitors with the same purpose in mind. In fact, a number of local college graduates—specialists in many different lines—have already accepted employment contracts and left for the Northeast.

Just last week a delegation representing the Industrial Department of the Administrative Office in Port Arthur and Dairen left for Shanghai on a similar mission. These two cities are reported in urgent need of 80 specialists in shipbuilding, steel refining, textile operation, chemical engineering, and cost accounting.

A somewhat similar situation apparently exists in North China, which is also reported short of technicians. However, the shortage is easier to rectify in that area since apparently many specialists who are reluctant to travel so far from home as the Northeast, are more easily persuaded to go to Tientsin or other North China industrial cities.

Scattered reports from other areas indicate that even some of the more recently liberated regions, such as the Wuhan cities, are also experiencing an industrial revival. Actually Shanghai's industry is picking up, although rather slowly. Many local observers believe that this will be the pattern for some time to come, certainly so long as the KMT blockade of the coast is at all effective. Shanghai, ill situated as an industrial city and long dependent upon foreign sources of raw materials as well as foreign markets, may find it more difficult than any other industrial center to get back to normal.

To questions as to how it is possible for industry to revive so rapidly in other areas, especially in view of the known difficulties, the standard reply given by Shanghailanders returning from visits to interior points is that the new authorities are able to provide the proper atmosphere for healthy industrial development and that—above all—they know how to organize the economy of the region so that industry, agriculture and commerce are properly integrated.

The case of a factory in one Northeastern city is cited as an example. Under the KMT, graft, corruption, and inefficiency were so great that slowly the wheels of industry came to a halt. Residents of Shanghai, who experienced much the same thing, can easily understand how difficult it was to operate a factory under the KMT.

Toward the end of the KMT occupation of the city, the officials and troops began requisitioning materials from this particular factory. Fortunately the workers were able to conceal considerable raw materials as well as valuable machine parts which the KMT supervisors wished to carry off when they retreated.

When the city was liberated, most of the conditions necessary for normal factory operation returned. Food was relatively plentiful, the currency was stable, supplies could move freely from village to city and back. However, it was not long before the factory began to experience technical difficulties—a number of which undoubtedly persist until today.

It was found, though, that many of these difficulties could be solved by the factory workers themselves. One worker, for instance, came forth with an invention of his own which replaced a broken foreign tool which was otherwise irreplacable. This worker said that he had the "idea" for this tool for a long time, but that in the past there was nothing to be gained by bringing it to the attention of management since he knew the director of the factory would simply appropriate it for himself.

Such instances are cited, not to prove that the country's industry is booming or that it is about to do so. Rather, observers point out, they serve to show that industry—as well as other aspects of the country's economy — can make substantial progress in spite of the many difficulties facing the country.

NEWS OF THE WEEK

CNAC, CATC Switch; Malenkov's Speech; Blockade Stalemate

SPEARHEADS of the PLA have liberated the city of Patung on the Hopei-Szechuen border, according to the *New China News Agency*. Patung is described as "the gateway to Chungking."

PLA forces entered the riverside city at noon on October 3 when remnant KMT defenders fled in a westerly direction.

To the west of Patung along the Yangtze are the famous Three Gorges which stand as a gateway to the Szechuen basin. The Szechuen gorges provide a natural barrier which has been regarded as a traditional military obstacle. But the swift liberation of the gorge city of Patung suggests that the KMT will not be able to make use of this natural defense.

Hongkong observers are reported as seeing the possibility that the KMT capital may be moved from Chungking in the near future in a report that Acting-President Li Tsung-jen is visiting Kunming.

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CNAC and CATC Switch

THE entire staffs of the China National Aviation Company and of the Central Air Transport Corporation, totalling about 4,000 persons, have announced their severance with the Kuomintang and have come over to the side of the People's Government, according to a *New China News Agency* report from Peking.

The move was led by Colonel C. Y. Liu, managing director of the CNAC, and Colonel C. L. Chen, managing director of the CATC. Both of them arrived by plane at Peking, where they published the announcement on behalf of their staffs on November 9.

Another eleven planes have also arrived at an unspecified airport in liberated territory. Some 70 planes, belonging to the two airlines, remain in Hongkong, waiting to be taken over by the People's Government. The employees of the two companies are also keeping in their custody all the assets of the two companies in Hongkong, including the maintenance shop of the CNAC.

In a telegram addressed to the Chairman, the Vice-Chairmen and the Premier of the People's Government, the staffs of the two airlines pointed out that the CNAC and CATC are communications enterprises for the service of the people. Unfortunately, they had been usurped by the Kuomintang after the outbreak of the civil war and, later, forced to move away from Shanghai. Now the Kuomintang was pressing them to move to Taiwan.

As the two companies are assets of the state, the staffs said, their employees cannot tolerate seeing them ruined by the Kuomintang. After serious consideration, they had decided to return to their own country. All personnel and all equipment will be taken back in order to continue operation.

Hereafter, the staffs announced, they will stop flying to any area under the Chiang Kai-shek regime. They have severed their relations with the Kuomintang and turned their allegiance to the People's Government, from which they will take instructions.

* * *

KMT Ships Disarmed

THE authorities of Macao on November 5 disarmed a number of small Chinese Nationalist gunboats and armed junks which had taken shelter in Macao waters.

The action followed a Portuguese ultimatum to the ship commanders that they must either leave Macao waters immediately or be disarmed. The ships chose to be disarmed.

They had moved into the Portuguese side of the channel, which forms the inner Macao harbor, and which is one-third of a mile wide between Macao and the Chinese island of Lappa. PLA guns on Lappa had fired on the Nationalist ships, and sunk one junk in the channel approaching the inner harbor.

* * *

Blockade Stalemate

Early this week a Nationalist warship intercepted, at the mouth of the Yangtze, two British coastal vessels leaving Shanghai for Hongkong. The ships are the 2,994 ton Tsinan and the 3,300 ton Jardine Matheson steamer Woosung.

The British frigate Alacrity stood off just outside territorial waters five miles away. Hongkong reports say that the presence of the Alacrity has prevented the Nationalist warship from escorting the two merchantmen to a "blockade" base at Chusan or Taiwan. The merchantmen have refused to comply with the order to return to Shanghai and discharge their cargo.

In order to reach Chusan, it is said that the Nationalist ship would have to leave territorial waters, enabling the Alacrity to intervene.

On November 9, another British Warship was reported speeding north from Hongkong.

Shipping circles in Hongkong believe that neither merchantman is in danger and that the action of the Nationalist vessel is the last serious effort to "blockade" the China coast. Meanwhile, several other foreign ships were reported waiting off the mouth of the Yangtze to see what happened before attempting to enter port.

Threat and Reply

DURING the week, Hongkong sources reported that the KMT government has formally advised the British authorities in Hongkong that its planes would bomb merchantmen found in liberated ports of China.

Both the Hongkong Government and the Royal Navy are said to have received the advice of the KMT's intentions through separate official channels, and it is believed that similar warnings may have been sent to other governments.

A naval source said that Britain did not recognize the KMT blockade and that the threat to bomb shipping was "most irregular."

On October 31 the Royal Navy announced measures for protecting British ships trading with Liberated China ports. Warships were to escort ships outside Chinese territorial waters. Three Shanghai-bound ships have already been escorted in this way.

A Foreign Office spokesman said in London on October 4 that any attempt by the Chinese Nationalists to enforce their threat to bomb British shipping in liberated ports would be regarded as "an illegitimate and unfriendly act."

Further London reports claim that the "desperate decision of the Chinese Nationalists" to bomb foreign shipping was "likely to increase considerably Mr. Ernest Bevin's known wish to recognize the Chinese People's Government at the earliest possible date."

One other matter likely to be raised by the Nationalist move and to be discussed between Mr. Bevin and the United States Secretary of State Dean Acheson at the Foreign Ministers meeting in Paris, is what is described as "the suitability of continued financial aid by the United States." This is apparently a polite suggestion that the Americans stop propping up Chiang Kai-shek.

The influential *Manchester Guardian*, in an editorial on November 5, suggested that it is in the interests of Great Britain to explore with India and the Dominions the possibility of peace and conciliation with New China. Saying that "the Communists have come to stay" in China, the paper asserted that Peking, restored as the capital of China, is likely to be one of the main centers in which the history of the modern age is made.

* * *

October Greetings

THE *New China News Agency* reports from Peking on November 5 that Chairman Mao Tze-tung sent the following greetings to Generalissimo Stalin on the occasion of the 32nd anniversary of the Soviet October Revolution:

"I send you warm greetings on the occasion of the 32nd anniversary of the great October Socialist Revolution.

Best wishes for the ever growing socialist construction of the Soviet Union. Best wishes for the incomparable strength of the world camp of peace and democracy headed by the Soviet Union. Best wishes for the permanent friendship and cooperation between the peoples of China and the Soviet Union.

"(Signed) Mao Tze-tung, Chairman of the Central People's Government of the People's Republic of China, November 5, 1949."

On the same day, Vice Chairman Soong Ching-ling (Madame Sun Yat-sen) of the Central People's Government sent the following greetings to Stalin:

"I join the liberated Chinese people in sending you warmest greetings on the anniversary of the October Revolution. With Sun Yat-sen, we regard this event as the birth of hope of mankind. Our present successes are based on his and Chairman Mao Tze-tung's understanding that only the USSR sincerely desired the liberation of the Chinese people. Now Sun Yat-sen's dream of close cooperation between our two great peoples has become a reality. We are grateful for the expression of this cooperation in the presence of the Soviet cultural delegation which has benefited us much. It has aided us in our determination to follow the prime example of the USSR in our national construction, in elevation of our people's livelihood and cultural standard. Long live the friendship, unity and cooperation between the peoples of China and the USSR.

"(Signed) Soong Ching-ling."

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A Summing Up

AT the Moscow City Soviet's traditional meeting to mark the anniversary of the Soviet Revolution, Soviet Deputy Premier Georgi Malenkov summed up the factors governing Soviet policy for the present period.

Malenkov said: "The keynote of our foreign policy is that the Soviet Union stands for peace. The Soviet Union stands firmly for peace and friendship of nations. It does not want war and will do everything to prevent war.

"Our program provides for the precise execution of the Potsdam Agreement regarding the German problem, peaceful settlement with Japan and development of trade and economic relations with other countries.

"Should this program fail to materialize, then it follows that it does not suit the warmongers. This policy includes the curtailment of armaments and the unconditional ban on atomic weapons," M. Malenkov said.

"Not we but the imperialists should fear war. The program of the enemies of peace is becoming clearer. It presupposes the creation of a world American empire by the means of new wars. The scale on which this empire is to be built must exceed that of any known empire-making process.

"It is a question of transforming the whole world into a colony of American imperialism and bringing sovereign peoples to the status of slaves.

"The difference between the aggressive plans of the new warmongers and those of Hitler and Goering and the Japanese imperialists is that the new aggressors surpass their German fascist and Japanese predecessors."

M. Malenkov then predicted that a third world war would be the grave of world capitalism as a whole, and added that the time is past when "the imperialists could fool the American people by saying that there is enough cannon fodder in Europe. The American people know very well that in the event of a war suffering will visit the American continent, too. If there is a new blood bath, there will be weeping mothers also in America."

Comparing the economic development of America and the Soviet Union, M. Malenkov said that in America there were more and more indications of an approaching economic crisis. He said: "The special character of the American crisis is this, that it is ripening at the moment when American economy is served by the whole of world economy. The result is that the American leaders are trying to push the whole burden of the economic crisis on to the shoulders of the marshallized European countries which themselves are passing through an economic depression.

"Whereas the production of the Soviet Union has grown in the last 20 years by nine times, European production has remained at the same level."

M. Malenkov said: "In 1950, Soviet industrial production would rise to a general level 50 percent higher than before 1940. Even now, Soviet industry, considered monthly, was surpassing the production of 1940 by 50 percent per month.

"The problem of cattle breeding has become a main task of the Party and States. The production of meat, milk, and other animal products will be increased in 1950 by 50 percent over the 1940 level."

On atomic energy, M. Malenkov said: "Atomic energy in the hands of the imperialists is the source of production of death-dealing weapons, whereas in the hands of the Soviet people it must and will serve as a mighty weapon of unprecedented technical progress and further speedy growth of the productive forces of our country."

There was great applause when the speaker said: "The Soviet people do not fear peaceful competition with the capitalist world, but it is quite sure of its might and knows very

What Will Happen To The Hongkong Dollar?

THE question of what will happen to the Hongkong dollar has been a matter of considerable speculation, both in the press and among private business circles, for some months. Since a large portion—some authorities estimate that well more than half—of the Hongkong Government's total note issue circulates within China, the question has ceased to be academic now that the People's Government has taken over control of South China.

In the past, the residents of South China depended upon Hongkong dollars as a method of protecting their savings against inflation, and the currency issued by Britain's crown colony has been in increasing demand since the end of the war with Japan. Thus, it is claimed, the Hongkong authorities were able to put out a much larger note issue than the needs of the colony required. In this fashion, it is alleged, Hongkong was able to operate via deficit financing without paying the penalty of serious inflation.

Now, with the taking over of South China by the People's Liberation Army, it is only a question of time until the free circulation of Hongkong dollars is banned. What effect will this have upon the economy of Hongkong? Opinions differ, but most observers seem agreed that Hongkong cannot stand the sudden "repatriation" of the undoubtedly large amount of currency known to be held in South China.

Some authorities estimate that approximately HK$600,000,000, out of an estimated total note issue of HK$900,000,000, is at present held by Chinese living on the China mainland, mostly in Kwangtung. Since the new authorities will not permit the continued circulation of foreign currency and will, undoubtedly, require that it be turned in for Jen Min Piao, it seems obvious that this huge sum of Hongkong dollars will ultimately find its way back to the colony.

Some observers predict that the Hongkong Government will be forced to sell gold or other assets in order to redeem this large quantity of paper money. Certainly, it is pointed out, the British authorities can hardly allow the colony's circulation of cash notes to be increased by three times, since inflation is already a factor adversely affecting the island's economy.

In any event, local Chinese observers are anticipating a changed financial relationship between China and Hongkong.

In the past, the Hongkong dollar was the dominant factor in South China's economic life. In the future, it is predicted, the People's Government, through the adoption of financial control measures similar to the ones which have worked so well in East China, will be able to stabilize South China's currency markets for the first time in many years. Then, with Hongkong dependent upon the China mainland for its supplies of food and other raw materials, China, for the first time in more than a century, will be in a position to dominate the colony's economy.

Chinese Papers Say:

Capitalists who fled invited to return; Mukden case regarded as showing imperialistic attitude of US official; fraud case in government exposed.

CAPITALISTS who fled abroad with capital either because of their credulity in rumors and deception by the Chiang bandits or because of their own weakness and vacillation which prevented them from a clear understanding of the people's revolution are invited to return to China. Wang Yun-sheng writing in the *Ta Kung Pao* of October 29, 1949 comments: "At the same time, a timely warning is served on those capitalists who sit on the fence and have also escaped out of the country. The time has come for them to choose between the role of a permanent refugee abroad, a 'white Chinese' without a country, or to become a member of the national capitalist class who are among the masters of the People's Republic of China. The time has come for them to make the great decision.

"In the Common Political Program of the People's Political Consultative Conference, the political status of the national capitalists has been definitely set down. Under the economic policy of the New Democracy, the future of the national capitalists is also assured."

Discussing the "high tide of economic reconstruction on a gigantic scale" which now faces the People's Republic of China, Mr. Wang says: "It will give the best opportunity to national capitalists to manifest their talent and their strength. Recently, in certain industrial enterprises such as paper mills and electrical appliances factories, the supply of products has been inadequate to meet the demands. Other industrial undertakings are generally also in the position to register profits. Imports, moreover, generally realize a profit of more than 100 percent. Thus it will be clear that both in the interests of the state and those of their own individual selves, all capitalists who have escaped abroad should immediately return home and participate in the task of production.

"It is possible," says the *Ta Kung Pao's* editor, "that there are some capitalists who feel that certain difficulties still exist in the liberated areas and so hesitate to return because of a disinclination to make investments immediately. There are others who entertain fears for their own persons because of their past deeds. With reference to the first group of people, we may inform them that it is true that difficulties are still encountered due to the fact that the war is not yet concluded and that there is the blockade enforced by the enemy. But they must realize that the correct leadership of the People's Government will lead to the successful conquest of these difficulties. With reference to the second group of people, let them realize that the people are magnanimous."

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COMMENTING on the case of the American Consul, Angus Ward, in Mukden who together with several other American staff members has recently been arrested on the charge of inciting the beating of a former Chinese employee of the American Consulate-General in that city, the *Wen Hui Pao* on October 30, 1949 recalls that it was the same Consulate that was exposed as carrying out behind-the scene activities in organizing an espionage ring which is now in difficulty.

"This is not a case of just an outrage," comments the *Wen Hui Pao*. "It definitely reminds us of political implications. The imperialists have always enjoyed the right to beat up and to humilitate the Chinese working people. Now that they have been deprived of this right by the Chinese people, Ward is apparently unhappy over it. More than refusing to accept the new state of affairs, Ward gets malevolent and rancorous; for otherwise, Ward could have satisfied himself with subjecting the Chinese to humiliation and shame without having to instigate a group of Americans to beat the poor fellow up. . . .

"We shall accord legal protection to all law-abiding foreign nationals but we shall resolutely curb all insulting and provocative attempts on the part of the imperialists."

Corruption Exposed

The *Giefang Rhbao* on November, 3, 1949 comments critically on old personnel (from KMT days) who have not yet learned the new spirit in connection with the recent government exposition of the Foreign Trade Company fraud case in which a former KMT official transferred from another agency was responsible. Calling for the utmost vigilance on the part of all, the article says: "Not only can it be seen from this case that a certain part of our personnel working in various financial agencies are still indulging in a high degree of bureaucratism and institutionalism (over-emphasizing the interests of one's own institution), but also that the vile practices of the reactionary KMT regime are still being retained by certain old personnel and old-fashioned merchants. These people succeeded in taking advantage of the bureaucratism and the institutionalism exhibited by certain quarters and certain personnel of our financial agencies to carry out their deeds of fraudulence and deceit. . . ."

People everywhere must intensify their efforts to learn and work in the service of people; merchants must realize the nature of the new times, "that New China is no more a paradise for speculators, and that new merchants should devote their efforts to increasing production."

well that any war adventure will end in disaster for the imperialists."

Dealing with China, M. Malenkov quoted Lenin as saying that the outcome of the world struggle between capitalism and communism depended in its final balance on the fact that the Soviet Union, India and China represented a gigantic majority of the world.

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Soviet Atom Blasting

FROM Berlin comes the news that the Soviet-licensed newspaper *Nacht Express* printed a story saying that the Soviet Union is using atomic energy to blast a hole in the Ural mountains to reverse the course of two Siberian rivers.

It said that "the world now has an explanation for the Soviet declaration on September 25 this year about the atom explosion.

"The great plan, which proposes to reverse the flow of the Ob and Yenisei rivers, foresees blasting a path through the Ural and Caucasian mountains by means of atomic energy."

It added that the purpose of the plan was to water the dry area between the Aral and the Caspian seas, by which means 30,000,000 hectares of extra land could be cultivated and 82,000,000,000 kilowatt hours of electricity produced.

"The greatest difficulty which confronted the plan, which is already being carried out at full speed, was the blasting of the new river bed at the Turgai Gates, between the Urals and the Caucasian mountains. . . . A new river bed, 4,000 kilometers long, will be created from a dam on the River Ob at Belogoris, leading to the Caspian sea.

"The plan, which will completely change the character of land areas the size of France, will turn the Karakum desert and the Siberian depression into blossoming gardens, which will show the world what a peace-loving people can do with atomic energy."

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On Overseas Trials

THE sentencing of the American Communist Party leaders and of the Secretary of the Australian Communist Party to terms of imprisonment and the passing of the death sentence against a group of Greek progressive leaders, have called forth protests in the Chinese press during the past week.

The Revolutionary Committee of the Kuomintang in Peking issued a statement which said: "We are extremely indignant over the trampling of the fundamental rights of the people by the American, Australian and Greek reactionary governments. We express our full sympathy for the leaders of the Communist Parties of the United States and Australia and the Greek revolutionary leaders fighting for the people's liberation who have been savagely persecuted."

According to the *New China News Agency*, the protest of the All-China Federation of Literature and Arts Circles issued against "the monarcho-fascists of Athens" demands the immediate annulment of the ground-

less sentence passed against the leaders of the Greek people. To the Greek people it said: "All the peace-loving people of the world are your brothers and stand on your side. Freedom and justice and people's forces will in the long run be victorious."

In Peking, the headquarters of the China Democratic League issued a statement on November 4, saying: "We express our sympathy and respect for the heroes who are being persecuted, and at the same time protest against the criminal action taken by the reactionary governments. We hold that this criminal action is a sign that these governments are openly becoming fascistic." The statement called on "all peace and democracy-loving people throughout the world to unite more closely to resist the tyrannical rule of fascism and redouble their efforts for democracy and peace."

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Indonesian Union

IMPORTANT news of the week was the settlement in the Hague of the constitution of the new Federation of the United States of Indonesia. Delegates from the Indonesian Republic, from other Indonesian states and territories, and Dutch delegates agreed on the establishment of a Federation having sovereign powers but pledged to cooperate with the Netherlands "for certain purposes."

Before reaching a settlement, the Indonesian Union agreed to accept indebtedness to the Netherlands amounting to 4,300,000,000 guilders. The highest authority of the new Federation will be an assembly of 150 representatives, some one-third of which will be Republican.

One outstanding problem was the status of Dutch New Guinea, which is postponed for settlement in a year's time. Dr. Mohammed Roem, one of the chief Indonesian Republican delegates, said on his return to Batavia that, "With the Netherlands we will cooperate honestly on a basis of equality and voluntary interest of both peoples." On the question of Dutch New Guinea he said: "We hope this would not hamper cooperation with the Netherlands and that this question will be settled satisfactorily as soon as possible." Dr. Roem was received at the airport on his return by a large number of Dutch and Indonesian friends and officials.

Mr. Dean Acheson, United States Secretary of State, sent a message to the Netherlands Prime Minister, Willem Drees, with hearty congratulations on "the fine act of statesmanship symbolized in the announcement of the successful conclusion of the roundtable conference."

Talks on the resumption of aid to Indonesia are being held in Paris by Dutch Foreign Minister D. U. Stikker, according to Dr. Hatta, leader of the Republican delegation to the conference. When asked if the Dutch and the Indonesians had made any plans for a joint request for resumption of the Marshall aid to Indonesia, which had been stopped immediately after the Dutch "police action" in Indonesia last December,

Chinese Magazines Say:

Nehru groomed as Chiang Kai-shek's successor as India being brought into US political camp. Country developed as green field for US capital.

THE visit of Pandit Nehru to the United States is discussed by Ssu Mu in the October 28, 1949 *World Culture* in an article entitled, "American Imperialism Lays Hands on a New Slave." The lavish honors accorded Nehru by the US surpass those extended to Quirino but this is not surprising according to the author who points out: "India, where Nehru is ruler, has a population of 340 millions, is rich in resources, and is near the Soviet Union. The man (Nehru) himself is also masquerading as a 'nationalist,' which places him politically on a higher plane than Quirino."

While Nehru has appealed through the American Congress for aid to India in the form of machinery, technical and economic assistance, the author explains that India is not without attraction for American business.

". . . With the economic crisis growing more imminent in the United States, and with China lost as the hunting ground of American imperialist exploitation because of the victory of the Chinese people, the covetous eyes of Wall Street naturally turn toward India, the country with 470 millions. *The London Daily Telegraph* on September 29 reported that the Americans are planning to invest in Indian railways and other industrial enterprises. In accordance with his plan for assistance to the underdeveloped nations, Truman is said to be considering assistance to India to facilitate its electrification, and the development of its irrigation systems. It is anticipated that the International Bank, controlled by the United States, which has already lent India US$34,000,000 to date, will extend further loans of US$10,000,000 to assist in the agricultural development of that country. The Indian Information Service, on the other hand, reported that new loans from the International Bank might reach the total of US$37,000,000. There seems no doubt that Nehru will devour the bait handed out by Truman in his so-called 'fourth plan' of helping under-developed countries."

Ssu Mu goes on to discuss the India-Pakistan conflict over the rich state of Kashmir which was brought before the UN. He says that Truman's request to both India and Pakistan to abide by the UN Commission's recommendations was "open interference with Asia's internal affairs" and that Nehru considered rejecting Truman's overtures last August when they were made.

"Of course," says the author, "the most important objective of Truman's current summons to Nehru to visit him is the desire to lay hands on a new stooge to replace Chiang Kai-shek, whose end has already arrived. The victory of the Chinese people can no longer be checked. This victory, moreover, will produce far-reaching repercussions on the situation in Southeast Asia as a whole. In the face of this threat, American imperialism is anxious to seek a comparatively more efficient hireling as the tool to check the daily rising forces for the liberation of the Asian peoples. Since in American eyes it seems bad taste to sponsor Japan who is after all still an enemy, and since Quirino is too incapable to assume the important role expected of such a stooge, Nehru has naturally become the favored choice.

". . . In his address before the American Congress, Nehru has already openly expressed his willingness to accept the role of Principal Slave of American imperialism in the Far East in the campaign against Communism."

With regard to the question of diplomatic relations between India and the People's Repubic of China, the author says that this question must have been discussed in Washington and that it is likely that Acheson suggested to Nehru that India not exhibit "undue haste" over the question of recognition of New China.

"Of course," says the author, "Nehru has been known to have advised the Americans to adopt a realistic attitude toward New China, but such must be considered only a gesture to raise his own status, and cannot be expected to produce any influence over his present mission to sell out the India nation to American imperialism."

As a result of the many talks between Nehru and Truman and Acheson, certain developments have taken place. "American imperialism has presented him (Nehru) with an effortless gift by making India a member of the UN Security Council. And prior to Nehru's visit to the United States, the Indian delegation to the Far Eastern Commission actually suggested the abrogation of all Japanese indemnity payments. Nehru's allegiance to his new found master, American imperialism, is now beyond doubt. After this audience with the overlord, Nehru's loyalty to the American imperialist cause is all the more consolidated.

However, like Chiang Kai-shek, concludes the author, "Nehru will not succeed, through his allegiance to American imperialism, in salvaging the latter's disastrous future in the Far East. On the other hand, Nehru's collusion with American imperialism will only aggravate the conflicts between American and British imperialism, and expose the true face of Nehru himself as a slave of foreign masters. The struggle of the Indian people against imperialism and against despotism will only become all the more strengthened."

Dr. Hatta said: "No, we have not. These things are now in the hands of Dr. Stikker."

Commenting on the foreign policy of the new Federation, Dr. Hatta said: "We do not agree with any form of Asiatic bloc because this would mean that we were antagonistic to some other bloc. But, of course, we are in full sympathy with Premier Nehru's Asiatic policy."

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"Pundit" Nehru

The Prime Minister of India, Pandit Nehru, told pressmen in New York on the eve of his return home on November 6, that he believed his American tour would produce better relations between the Western world and Asia.

Asked whether better relations between East and West would result from his visit, Nehru replied: "If you mean by the East, Asia, I think certainly."

During the day, Nehru had received callers in his 21st floor suite in the Waldorf Astoria Hotel. His talk with the Egyptian Ambassador lasted about 20 minutes, according to usually well-informed sources. He spent the afternoon aboard the private yacht of General Walter Bedell Smith, former American Ambassador to Moscow and now Commander of the 1st United States Army.

It was a perfect autumn day with bright sunshine, although, it is reported, there was a cold snap in the air.

Pandit Nehru spoke to *Reuter's* representative later in the day. He said: "I certainly believe that my visit to America will bring about closer relations between the Western world and Asia."

Nehru will reach London this week and stay in England until November 13 when he will continue his journey to India.

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South African Violence

A NOVEMBER 1 report from Capetown said that police opened fire that day on striking African workers in the Munsieville native location at Krugersdorp, wounding some and killing others.

Police reinforcements were reported on their way from Johannesburg, about 20 miles away.

The dispute concerns the transfer of African workers service contracts to the Krugersdorf Town Council and is said to have begun when striking workers threw stones in a demonstration.

Police in battle formation, armed with revolvers, rifles and "a Sten gun," moved into Munsieville firing repeated volleys to quell the workers. So far as is known, one African was killed and five wounded, although it is reported that the death role may be higher.

Johannesburg reports on the following day said that renewed fighting had broken out between police and workers in the Krugersdorf area. Police trying to enter the area of Munsieville were repulsed by the strikers.

The report said that another police assault was expected when police reinforcements arrived in Munsieville.

The Week's Business

Prices go up under high demand from outports and market manipulations; East China to send tea to Russia; 19 Soviet firms licensed.

HEAVY price fluctuations brought on by speculative activities featured the local market during the week under review from November 3 to 9. Prices of most commodities soared by 20 to 30 percent during the week.

This price upsurge is reported to have touched off another buying rush, as people began to withdraw short term deposits at the banks in order to purchase commodities. Parity deposits are of course protected from commodity fluctuations. As a result, local stores are doing more business. At the Wing On Company, the *Ta Kung Pao* reports, the business turnover on November 3 was around JMP30,000,000. It increased to JMP40,000,000 on November 4, and further to JMP44,000,000 on November 5.

Although growing outport demand for industrial products from this city is responsible to some extent for the bullish development in the local market, the chief factor for the price upheavals is still attributed to manipulations. During the week, the Bureau of Industry and Commerce exposed a number of cases involving curb transactions.

To regulate supply and demand in the market and force down the quotations, the state trading companies kept dumping huge stock of supplies on the market, valued at more than JMP25,000,000,000 for the week ending November 5. The Shanghai Branch of the People's Bank as well as the Bank of China and the Bank of Communications called in huge sums daily from the market, creating an extremely tight money situation. The curb interest rate on loans reached a record high of some JMP20 per mille per day.

Many of the local commercial banks were reported attracting short term deposits by offering interest rates of JMP12 to JMP13 per mille per day, which were far from normal. It has been suggested that such money absorbed could either be re-extended as loans at higher interest rates, which in itself is illegal, or used for speculation. Otherwise, the banks would lose by offering such high interest rates.

Under the stringent money situation, the turnover at the Shanghai Clearing House showed declines, while the number and amount of dishonored checks, on the other hand, registered proportional increases.

Meanwhile, further progress is noted in foreign trade developments. The East China Foreign Trade Control Bureau, for the promotion of Sino-Soviet barter trade, announced the approval and issuance of business licenses to 19 Soviet importers and exporters in Shanghai. Seven of these Soviet concerns will conduct both import and export trade, eight will be engaged solely in exports and four in imports.

The second consignment of goods to be sent to Soviet Russia by the East China District under the barter trade system has been decided on by the Central People's Government under a centralized plan whereby the East China Trade Department is to send 90,000 piculs of tea to Soviet Russia in exchange for the latter's diesel oil, gasoline and petroleum.

An increasing number of foreign vessels have arrived in Shanghai lately.

One foreign vessel reached here at the end of October with 1,400 tons of supplies, including crude-rubber, soda, paper, dyestuffs, wax, raw cotton, and other chemical raw materials. The ship cleared port with 1,200 tons of cargo, which consisted of bean-cakes, tobacco leaves, tea, medicinal herbs and other miscellaneous goods.

At the beginning of the current month, one vessel entered port with some 3,000 tons of crude rubber, newsprint, raw cotton, white wax, resin, chemical raw materials and pharmaceuticals. Another foreign ship also brought 2,300 tons of diesel oil.

Recently, a Hongkong import and export firm, the Tse Shen Company, is reported to have sent its representatives to Shanghai for the establishment of a branch office here to facilitate the conduct of trade between Hongkong and liberated China.

While numerous reports have been heard lately about the industrial revival of Shanghai, another interesting development in this field is seen in the adoption of collective labor contracts.

The labor and management of scores of local trades, including paper mills, cotton and woolen textile mills, wine and grocery shops, knitting mills, shoe factories, bath houses, electro-plating factories, restaurants, rubber goods factories, pharmaceutical plants and others, are currently studying and arranging the terms of labor contracts, while the weaving and dyeing industry has submitted a draft contract to the Labor Bureau for approval. Officials of the Labor Bureau explained that collective labor contracts should be formed on the principle of "mutual benefit to labor and capital."

Following is a listing of representative commodity prices for the past week:

	Nov. 2 JMP	Nov.9 JMP
Parity Deposit Unit	1,096	1,341
US dollar (note)	4,440	5,000
20's yarn	1,330,000	1,650,000
12-lb. cloth	56,500	67,000
Rice, 1st grade	44,000	57,000
Peanut oil	99,000	163,000
Coal briquette	5,500	6,200

NEW BOOKS OF INTEREST

MILITARY AND POLITICAL CONSEQUENCES OF ATOMIC ENERGY. *By Professor P. M. S. Blackett, London, Turnstile Press, 1948, 214 pages. 12s. 6d.*

PROFESSOR Blackett's book was published in 1948 and at that time was criticized, ridiculed and forgotten. It was not ignored because the author could not be ignored. Professor Blackett worked under Lord Rutherford at Cambridge University and obtained the first photograph of the transmutation of an atom. Professor of Physics at Manchester University since 1937, he was employed by the British government during the war in Operational Research and later became a member of the Advisory Committee on Atomic Energy set up by the government in 1945. He was awarded the Royal Medal of the Royal Society 1940 and the American Medal for Merit 1946.

Few people in the world can speak with such authority as Professor Blackett on the military and political consequences of atomic energy. He was concerned, as a member of the Advisory Committee on Atomic Energy, with the formulation of official policy, but he found a conviction gradually grew in his mind that "the policies of Britain and the United States—for, in essentials, the two seemed the same—were following paths which were as unrealistic in their military basis as they were likely to be disastrous in their political consequences."

* * *

BLACKETT saw that Anglo-American thinking was based on the premise that strategic bombing with atomic bombs had revolutionized warfare; that no defense existed against atomic bombs. At the first meeting of the Atomic Energy Commission of the United Nations Organization held in New York on June 13, 1946, Bernard Baruch put forward, on behalf of the United States Government, proposals for international control of atomic energy. In his statement, Mr. Baruch said in part: "Science has torn from nature a secret so vast in its possibilities that our minds cower from the terror it creates. Yet terror created by weapons has never stopped man from employing them, for each new weapon a defense has been produced, in time. But now we face the condition in which adequate defense does not exist."

The consequences of such thinking have led to what Blackett describes as a "Spenglerian mood of the end of civilization." Americans in particular have fallen into a state of horrified awe and hysteria. A report from Washington, as late as October 25 of this year, said: "The Washington Medical Society is drafting plans for a medical corps to deal with atomic bomb casualties in any atomic bomb attack on the American capital. . . . At a meeting of the Society, the Office of Civilian Defense presented a report estimating that about 200,000 casualties could be expected in any atomic raid on Washington." With this report came the simultaneous news that, "The United States Atomic Energy Commission today confirmed plans for an extension of its atomic bomb-making facilities at a cost of US$300,000,000."

* * *

SINCE Hiroshima, American military planning has been conditioned, even determined, by the belief that a hypothetical war between America and the Soviet Union would be decided in favor of America by atomic bombing; and, consequently, that the possession of atomic bombs gives an American-British military bloc absolute superiority.

Blackett's book is the most notable critique of this viewpoint—outside of Soviet military theory, which Blackett briefly outlines and with which he appears to be in general agreement. He quotes Soviet military theory as postulating that, "Success in war is not achieved by the one-sided development of one or other weapons, but by the perfection of all arms and their skillful coordination." (*New Times*, September 1, 1945.)

He also gives extracts from Soviet military writers who believe that the "no defense against the atomic bomb theory" will prove no more correct than Italian General Douhet's theory of the impossibility of defense against air attacks, and General Fuller's theory of the overwhelming superiority of the tank offensive.

Blackett's criticism is worked out dealing with the British and American strategic bombing of Germany. From the evidence of statistics gathered after VE Day concerning the allied air offensive in Europe, Blackett reasons that the effectiveness of strategic bombing, independent of land campaigns, was tremendously overestimated by the British and American war staffs. Incontravertible evidence shows that German armament production continued to expand up to 1944 practically unimpeded by allied bombing.

On the belief that the dropping of the atomic bombs on Hiroshima and Nagasaki ended the war in the Pacific, Blackett adds a chapter on the background to these events in which he concludes that "the dropping of the atomic bombs was not so much the last military act of the second world war, as the first act of the cold diplomatic war with Russia now in progress." Mainly from American sources he argues that the dropping of the first bomb on August 6, two days before the anticipated Soviet offensive in Manchuria on August 8, was a diplomatic move to secure the surrender of Japan to American forces before the Soviet became fully involved in the Pacific war.

Blackett's argument in this chapter is sometimes carried forward by statements whose validity he has denied by the implications of other sections of his book, but his conclusion carries weight, and evidence is certainly added to the critique of strategic bombing.

Since the "Political and Social Consequences of Atomic Energy" was published, this evidence has steadily grown. The recent dismissal in America of Admiral Denfeld, Chief of Naval Operations, indicates that there is a growing opposition among American military men against the concept of independent strategic atomic bombing. The B-36, the super-atomic bomber, which has become the main armament project of the American armed services, does not even have the confidence of General Hoyt Vandenberg of the Air Force. General Vandenberg's several statements on the super bomber have not contradicted the Navy's contention that the B-36 can be readily intercepted and brought down by jet fighters and guided missiles. It is generally believed that Soviet jet fighters are superior to others. And, of course, the B-36 makes an excellent ground target.

It seems most improbable that any power could win a war against a powerful enemy by relying on strategic bombing as the primary offensive weapon.

* * *

OF no less interest, in the "Military and Political Consequences of Atomic Energy," are the chapters on the United Nations Atomic Energy Commission, the probability of the use of atomic energy as a source of industrial power, and the conflicting attitudes of the Soviet Union and the United States on plans for international control of atomic energy. In the United Nations Commission, writes Blackett, "Russia and America have put forward proposals appropriate to their own interests . . . each completely unacceptable to the other."

There have been complete differences. While the Soviet Union has advocated the abolition of atomic bombs and all weapons of mass destruction, America regards the possession of atomic bombs as the strongest card it holds in international affairs. The Soviet Union is opposed to international control of atomic energy used for peaceful construction, as it is in great need of additional power resources. The United States, well supplied as it is with industrial power, wants control because it could conceivably perpetuate America's advantage by restricting atomic energy developments.

Professor Blackett concludes his book with his opinions on "a way out" of the impasse. He is inclined to be optimistic and considers that the danger of a third world war is much less great than is generally anticipated. And he thinks that a narrowing difference of circumstance between the United States and the Soviet Union will force closer agreement. He says in his last chapter: "Meanwhile America's stockpile will continue to grow even bigger and bigger, at some uncertain date Russia's will start to grow too. Responsible American statesmen will be bound to weigh very carefully the delicate question of when to begin again negotiations for the control of atomic energy, which they have just broken off."

Now that it is known that the Soviet Union has the secrets of the atomic bomb, and now that the Soviet Union, according to the Berlin *Nacht Express*, has used atomic energy to blast a hole in the Ural Mountains to reverse the direction of two Siberian rivers, it is to be hoped that Professor Blackett's advice, his whole thesis and his conclusions, will be taken more seriously.

The Review's English Lesson CV

Questions And Answers

THIS week, we shall try to answer the questions sent in by two readers, Mr. H. C. Lin of Shanghai and Mr. Shih of Nanchang. Mr. Lin asks about the following expressions:

Commies: As, for instance, in the phrase, "the Jap commies." The word is a flippant abbreviation for "communists."

Containment: As in "containment of communism." This seems to be a neologism (new word) arising out of the "cold war" between the western democracies, led by the United States, and socialistic states, led by the USSR. To contain is to hold, to keep within bounds; thus, containment is the holding, or restricting. "Containment of communism" is used by the western democracies to refer to their efforts at supporting anti-communist regimes in a series of buffer states, such as Greece and the late Nationalist China, to create a *cordon sanitaire* that, it is hoped, will prevent the further spread of communism.

Democratic individualist: A person who thinks and acts as he sees fit whether his actions are in the interests of the majority or not. He justifies his stand on the ground of "democratic freedom of the individual," as it is understood in western democracies.

Silken curtain: The whole phrase is, "behind the silken curtain," and was the title of a book written about the attempt of the British Government to conceal the true state of affairs in Palestine, and the fact that it had failed to keep its promises to provide the Jews with a "national home" in Palestine. The "silken curtain" of course referred to the hiding of the facts, and the phrase is obviously analogous to "the iron curtain," by which the West refers to the alleged barrier the USSR and the new democracies of eastern Europe have erected against the West.

* * *

MR. Shih asks many questions about phrases occurring in the *Review* beginning with the September 3 issue:

Propaganda: In the phrase, "to pull off a propaganda stunt," "to pull off" is slang for "to carry off," "to carry out." Similar in meaning is "to put over," with the idea of misrepresenting the facts in order to deceive the public. A "stunt" is a trick, a public display, something done to attract attention. In one or two very respectable American colleges before the war, for instance, it became a silly and short-lived fad among certain groups of students to swallow live goldfish. This, as a stunt, was successful, since it received wide publicity in the press; but it had no purpose of propaganda—except perhaps the unintentional one of showing how foolish the students were. From the context of the phrase as used in the *Review*, the stunt referred to was the sending of a "mercy ship" to Shanghai to evacuate foreigners; the position maintained by the editorial was that this was being used as propaganda to make people believe that foreigners were being mistreated here.

Stick it out: To stick it out is to remain at one's post or occupation in the face of difficulties, adverse business conditions, etc. The editorial mentioned that most British business men in Shanghai had decided to remain (to stick it out) despite current losses, in the expectation that business conditions would be better in the future.

Line up: To line up is marshal into ranks or lines, and by extension, to attempt to direct or control. As used, the sentence ran, "Unless America can line up some of the other powers to support her stand. . . ." That is, unless America could persuade or compel other nations to adopt a policy of resistance or unfriendliness to the new regime in China, she would find herself "left out" in Asia.

Cracking of heads: The original sentence was, "The wholesale cracking of heads at the Shanghai Power Company by KMT-directed gangs of ruffians was an outstanding example of this period of labor suppression." The phrase thus means the beating of workers by police or hired thugs. Usually, police are armed with short, heavy sticks; in cases of civil disturbance, strikes, etc., the police use their sticks on the people, literally "cracking their heads," to restore order.

Argue out: To argue out is to discuss thoroughly and to arrive at a settlement of differences.

Ipso facto: A Latin phrase which means by the fact or act itself; by the very nature of the case. As used in the *Review*, the phrase was contained in a Vatican ruling that any Catholic who "professed the materialistic and anti-Christ doctrines of communism, and particularly those who defend and propogate it, incur, **ipso facto** . . . the danger of excommunication." Thus, the mere fact of defending or propagating communism was enough to incur the penalty.

Ours not to reason why: It is not for us to think, discuss, or reason the matter; we are not suited to reason the matter (because of insufficient knowledge, or political, religious or other bias, etc). This is a paraphrase of a line in the famous poem, "The Charge of the Light Brigade:" ". . . . Theirs not to reason why, theirs but to do and die. . . ."

Take the teeth out of: To render ineffectual, as a law or decree, by amending or changing it in an essential particular. Thus, in the United States, the "due process" clause of the Constitution was used to take the teeth out of the anti-trust laws. The "due process clause" states that no person may be deprived of his property without due process of law. Under the anti-trust laws, monopolistic business organizations would have been broken up, except that ingenious corporation lawyers and the judiciary found that a corporation, in the eyes of the law, was "a person." Therefore, trust-busting meant long, expensive and complicated sessions in the courts and consequently failed.

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